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DOCUMENTS, REPORTS, AND LEGISLATION

Industries and Commerce

PHILADELPHIA RAPID TRANSIT REPORT. Comprehensive, thorough (with due regard to the limitations imposed by its purpose), and explicative to a degree not often found in reports dealing with practical problems under conditions requiring rapid compilation and prompt publication, the *Report of Transit Commissioner, City of Philadelphia* (July, 1913; vol. I, text and tables, pp. xiv, 267; vol. II, maps and plans 1 to 69) is a model piece of work of its kind. It treats of civil engineering questions including geological formations, street-traffic conditions to be dealt with in construction work; traffic engineering matters, in great detail, including an estimate of present and future traffic by locality or origin, direction of travel, and time of day, for which detailed traffic surveys by trip-count and otherwise were made; the relation of traffic to density of population and to housing conditions; the benefit to the public, chiefly in terms of time saved, from quicker transit; the gain to the city from increase in the assessed value of real estate affected by the new lines; financial aspects of construction and operation; and requisite enabling laws. The method is moderately but adequately comparative with regard to the experience of other large American cities, that is, New York, Chicago, and Boston. The study is profusely supported by maps, cartograms, diagrams, and plans, mainly about 2 feet by 18 inches in size.

The Philadelphia Rapid Transit Company in general charges 3 cents for an exchange ticket between surface lines. But there are free transfers between the Market Street subway and outlying surface lines, and this would be an important feature of the plan for new lines. In Manhattan and The Bronx, though free transfers between surface lines are usual within each system, there are no free transfers between street-surface and rapid transit lines. But the through rapid transit ride obtainable is much longer than elsewhere and the topography of Manhattan Island also tends to make such a ride quite generally complete and sufficient. A study of the fare-zone charts of the report in hand does not show New Yorkers at a disadvantage; but the charts do not show all the facts, that is, as regards journeys not merely centrifugal or centripetal with reference to City Hall.

Measured by the underlying plan and purpose of a rapid transit system, Boston may be considered at one pole and Manhattan-The Bronx at the other. The subway and elevated lines may be devoted to lessening congestion in the inner city while for the rest constituting

hardly more than terminal facilities for surface service; or they may constitute a comprehensive street-railway system designed to bring outlying districts nearer in point of time and cost to the business center than is possible for a street-surface system or a mixed system. The Philadelphia plan leans toward the former class. Transfers from street-surface lines are essential. Some attention is also given to possible future connection with steam railroad lines. The New York plan approaches the other extreme.

The difference between Manhattan and Philadelphia in density of population, which is strikingly in evidence in the contrast presented by maps 9 and 10, is doubtless sufficient reason for a less extended system or through rapid transit service in Philadelphia than in New York. From City Hall (New York) to 242d Street is a distance of nearly 14 miles in a direct line. The longest rapid transit line recommended for immediate construction in Philadelphia takes the passenger nearly 7 miles from City Hall (map 43). But the population residing within walking distance of the Interborough subway as operated in 1910 probably exceeded the entire population of Philadelphia. This difference is due mainly to different housing conditions. Can a "City of Homes" support a comprehensive purely rapid-transit system on a 5-cent fare? Probably not. In New York practically all new residential construction along the subway to its termini has been of the 5-story-apartment-house type.

One of the most distinctive and interesting things in the report is the study of time-saving by rapid transit. The difference between maps 24 and 25, a "before and after" comparison for Philadelphia, is certainly striking. Computed time-saving is used ingeniously in estimating the traffic to be obtained by the new lines (pp. 70 and 80). The report arrives at a lump valuation for time saved by reckoning it at 15 cents an hour and capitalizing the annual saving at 5 per cent (p. 72). If we must have a dollar-and-cent valuation, this is as good a way as any. But, in the long run, will the people of our cities spend much less time in going to and from work because of rapid transit? Will not the effect rather be in part a gain of more room and better living conditions, and in part merely greater agglomeration of population?

The estimate of future population increase, upon which the success of a rapid transit plan quite directly depends, is correctly stated to be conservative. It is assumed that population will increase at substantially the same arithmetical rate as has held for the past decade. Through the use of an increasing figure for per capita rides, a moderate

allowance is made for the tendency of traffic to increase at a greater rate than population. But no allowance is made for the reaction of the provision of rapid transit facilities upon the rate of growth of population itself. Reference is made to the extent to which the economic or industrial interests of Philadelphia have been developed as "individual communities" (p. 123). Altogether, one wonders whether such conservatism may not err by excess, just as too heavy a charge for depreciation may result in depriving stockholders and others of their due.

Such a report, which is but one of a considerable class of a similar nature, is one among many encouraging signs of the tendency of American municipalities to avail themselves more and more of competent expert advice and statistical investigation.

G. P. WATKINS.

Under the existing law the census of manufactures of the United States is taken every fifth year. The Bureau of the Census is now engaged in the preliminary work incident to the enumeration that will cover the year 1914. Like the censuses of 1904 and 1909 this canvass will be confined to the establishments conducted under the factory system as distinguished from the neighborhood, household, and hand industries. The act of Congress of March 6, 1902, limited the census to this class of establishments and reduced the number of establishments to be canvassed.

The bureau is now corresponding with manufacturers and associations of manufacturers, chambers of commerce, boards of trade, etc., for the purpose of securing their coöperation in taking the census and of obtaining suggestions in regard to improvements in the form of the schedules. Work has also been started on the lists of names and addresses of manufacturers. Director William J. Harris thinks that in some respects the next census of the manufactures will be the most important that has been taken during recent years. He desires to have the preliminary work entirely completed and in perfect shape to begin the enumeration during the first part of January, 1915. He also desires to have the form of the schedules established as quickly as possible so that a wide distribution can be made. At the last census a number of manufacturers suggested that if they had been given a copy of the census form during the first part of the year to be covered by the enumeration they would have been enabled to keep their books in such a manner as to permit them to make census reports promptly, thus greatly assisting in the completion of the enumeration.

It has been the experience of the bureau that it requires practically

one year to make the canvass and to collect the reports from all manufacturers. It is hoped that by perfecting the preliminary arrangements and having the machinery in shape to begin active work immediately after the close of the period to be covered it will be possible to greatly advance the date of completing the canvass and also the date of publishing the results.

Hon. David J. Lewis, representative from Maryland, has prepared a *Brief for a General Parcel Post* (Washington, 1913, pp. 58). In this he argues for an increase of the weight limit to 100 lbs., a zone system of 100 miles to each zone, a rate of $\frac{1}{2}$ cent per lb. for each zone plus the initial charge of 3 cents, arbitrary, for the first pound. He believes that the agricultural industry, particularly suburban gardening, will receive a great quickening by the changes recommended.

The *Sixth Annual Address of J. Hampton Moore*, president of the Atlantic Deep Waterways Association on "Eastern Waterways Needs," delivered at Jacksonville, Florida, in November, 1913, was printed in the *Congressional Record*, December 1, 1913, and has been issued as a reprint (Washington, p. 14).

Mr. Arthur V. White has prepared for the Commissioner of Conservation of Canada an exhaustive report on *Long Sault Rapids, St. Lawrence River*. This is an inquiry into the constitutional and other aspects of the project to develop power from this source (Ottawa, 1913, pp. 384). It contains the incorporation papers of the Long Sault Development Company, the opinion of its unconstitutionality by Attorney General Carmody of New York, and various memoranda in regard to congressional legislation. There are also included documents dealing with the incorporation of the St. Lawrence Power Transmission Company of Canada. Extracts from various hearings are added.

The Agricultural Experiment Station of the University of Illinois has published a third pamphlet dealing with economic factors in cattle feeding. Circular No. 169 is entitled *A Review of Beef Production in the United States*, by H. W. Mumford and L. D. Hall (Urbana, Sept. 1913, pp. 28). This contains interesting maps showing routes of early shipments of cattle, and the number and value of cattle other than milch cows in 1910.

The *Cost of Milk Production* is treated in Extension Bulletin No. 2, of the New Hampshire College and Experiment Station, by Fred Rasmussen (Durham, June, 1913, pp. 20). From data of a herd of 326 cows, it is found that the return from \$1.00 for food consumed,

varied from 93 cents to \$2.21; that it cost to produce a quart of milk 2.4 cents; and to produce a pound of butter fat, from 23 to 48 cents. The production necessary for profit ranges from 6,000 to 8,000 pounds of milk per cow.

The Department of Agriculture of Canada has issued a bulletin on *Milk Production in Canada*, by J. H. Grisdale (Ottawa, Bulletin No. 72, 1913, pp. 190).

The New York State Department of Labor has issued *First Annual Industrial Directory of New York State, 1912* (Albany, 1913, pp. cclxiv, 562). The volume is divided into three parts: (1) Description of cities and villages with reference to features of importance from the standpoint of industrial organization; (2) Conditions relative to population, agriculture, banking, hours of labor, etc.; (3) Register of factories, with the name, street, address, product, and number of employees.

The Bureau of Foreign and Domestic Commerce has published in Special Agents Series, Bulletin No. 76, *Commerce and Industries of Canada and Newfoundland*, by A. G. Robinson (Washington, 1913, pp. 94); and Bulletin No. 74, *Linen, Jute and Hemp Industries in the United Kingdom, with Notes on the Growing and Manufacture of Jute in India*, by W. A. G. Clark (pp. 72).

Anticipating an increasing interest in South America, the Department of Commerce has issued a bibliographical summary of its *Publications on South America* (Washington, Misc. Series No. 12, pp. 11). In Miscellaneous Series No. 6 C, it describes under *Promotion of Commerce* the service which is maintained by various bureaus of the federal government for the benefit of those engaged in foreign operations (pp. 28).

From the same department also is received *Russia, A Handbook on Commercial and Industrial Conditions*, by J. H. Snodgrass (Special Cons. Rep. No. 61, pp. 254). This contains a map showing development of railways in Asia.

The Commissioner of Conservation of Canada has published *Forest Inspection in Canada, 1912*, by Clyde A. Leavitt (Ottawa, p. 173). This deals more particularly with protection from railway fires, the brush disposal problem, the use of oil as locomotive fuel from a fire protective point of view, and forest planting.

Corporations

The *Report of St. Louis Public Service Commission to the Municipal Assembly of St. Louis on the Southwestern Telegraph and Telephone Company* (1913, pp. 152) is devoted almost exclusively to a consideration of a valuation of the company's property in St. Louis and East St. Louis. A short time before the valuation was completed the legislature of Missouri created a state public service commission with power to regulate the rates for service in the various cities. The valuation, made in accordance with the action of the municipal assembly, will therefore be of service to the state commission instead of the municipal assembly.

The commission excluded all toll line property and included the remainder of the assets in St. Louis and East St. Louis. The report is significant mainly for its treatment of depreciation as related to valuations for rate-making purposes. It adopted the same method as that employed in the valuation of the United Railways of St. Louis, and quotes in full the appendix of that report bearing on depreciation. This appendix was originally written by Mr. James E. Allison, the chief engineer in charge of the valuation both of the telephone and telegraph property and of the railway property. The propositions upon which the valuation was based are as follows:

The larger properties have an approximately constant normal theoretical value at which the plant gives good service to the public.

To produce this normal value the cost of the property in the service of the public was 100 per cent and the public cannot be served without devoting 100 per cent to the service.

It is therefore just that the investors be rewarded by the public for the cost of the property in the service of the public unless it can be shown that they (the investors) have been paid back a part of their 100 per cent by the public.

In the case of a heretofore unregulated property it cannot be shown that the company should have set aside depreciation charges to accumulate a fund equal to the theoretical depreciation for such a fund would be needless.

If then we are to claim that the investors have been paid back the theoretical depreciation we must assume that such reimbursement has been made from excess profits over a legitimate return. Otherwise they have not been paid back.

A legitimate return was what the investors could make under the then existing laws and therefore there could be no excess over legitimate returns unless illegally made.

It might be claimed that a legitimate return was only a reasonable return but such an argument is unsound and if admitted as a principle it leads inevitably and directly to the right to deprive people of property legally acquired in the past, merely because we think their profits were too high.

At bottom and when clearly analyzed, this is what deductions for depreciation mean in public valuation.

In public service enterprises it frequently happens that there have been small or no profits, but even if they seem to have been large, to claim that the investors have been reimbursed for depreciation by excess profits in the past is to deprive them of a part of their legitimate past profits to create a needless depreciation fund and is equivalent to regulating profits in the past by enactments today. This is clearly in the nature of an *ex post facto* proceeding and should be inadmissible as a matter of law or as a matter of justice.

The conclusion seems clear then that in all ordinary cases of heretofore unregulated properties we can not justly depreciate to obtain fair value unless we admit the justice of *ex post facto* laws or equivalent regulation, or unless we interpret fair value to mean market value and not just amount.

Since depreciation is not a just deduction from the value and since, according to the report, the original cost of the property represents the present investment, the investigation is simplified into a study of what the property originally cost. However, for the valuation of land the commission did not take the same view. It took as the basis of such valuation the present market value, not considering value for special use to the present holder. It also points out with some pride that since the publication of its report the United States Supreme Court has also taken a similar point of view in the Minnesota rate case.

It seems to me, that the depreciation theory of the St. Louis commission is based upon an erroneous view of the nature of capital and expense. All outlays are capital outlays for a manufacturing concern unless they are considered with reference to a period of time. The supplies of coal used in the production of gas represent a capital investment for the gas company, but if a report for one year be constructed, all of that coal, which has been used in the production of gas sold to the consumers, becomes an expense to the amount of its original cost. It was a part of the cost of a commodity or service which was sold at a profit or loss. The expenditure leaves no property in the hands of the company except the profit on sales. In the same way an outlay for a machine represents an expense if we take a period long enough to cover the machine's life. Depreciation represents a means of distributing the expense over the period. For the business man, a machine is capital having some similarity to insurance paid in advance. Both should be marked off over the period for which the outlay constitutes an expense. The fact that a plant consists of an organization of a large number of machines does not alter the nature of the case.

It may be, as the report indicates, that the residual, theoretical value of the machinery seldom falls below 50 per cent of original cost

in the case of a plant which has been properly maintained, and that the maintenance of the original investment (on the old theory discarded by the commission) would require the remaining 50 per cent or 45 per cent, as the case might be, to consist of a depreciation fund. The report errs, I believe, if it assumes that this depreciation fund must be held in cash. The capital of the company is maintained in accordance with law whether this fund is invested in improvements, in working capital, or any other asset. In the case of a public service property, enough of the fund should be held in available form to provide for renewals.

As a result of this conception of the nature of capital and expense there is, in my opinion, an error in regard to profits. If a company turns back to stockholders the balance of income expense outlays excluding depreciation as an expense, it thereby impairs its capital and pays to the investors the profits of the year plus a part of their investment. There is no *ex post facto* action involved in recognizing that capital is not something permanent. If a stockholder should enter suit to enjoin the impairment of capital by such dividends it is possible that he might succeed in his enterprise, although the courts also have shown confusion in dealing with depreciation.

University of Texas.

SPURGEON BELL.

The American Civic Federation has recently published *Commission Regulation of Public Utilities, a Compilation and Analysis of Laws of Forty-Three States and of the Federal Government for the Regulation by Central Commissions of Railroads and other Public Utilities* (Traffic Service Bureau, Chicago, 1913, pp. 1284). This represents a part of the investigation which was planned for the federation by a committee known as the Department on Regulation of Interstate and Municipal Utilities. The detailed analysis of American statutes is arranged by states under chapter headings. These titles are as follows: Organization of Commissions; General Powers of Commissions; Basis of Rate-Making; Establishment and Change of Rates; Publicity of Rates; Discrimination in Rates of Service; Service; Safety of Operation; Accounts; Reports; Franchise; Stock and Bond Issues. Intercorporate Relations; Commission Procedure and Practice; and Enforcement.

Apparently there is some question as to whether the investigation will result in anything more positive than this summary of existing law. Early in 1913 the department adopted a model bill for regulation to be introduced into the various state legislatures, in the hope that this

would lead to more scientific and uniform regulation. This was opposed by some connected with public utility companies on the ground that the bill was too radical; consequently, further consideration was given. A conference at Atlantic City, organized by the American Electric Light Association, appointed a committee to confer with the Department on Regulation of the National Civic Federation. Conferences were held at different times and the bill was gone over and revised.

In May, 1913, a new draft was submitted to the National Civic Federation for issue. The American Electric Light Association and allied companies then entered their protest with the National Civic Federation against the issue of the bill, with the request that the matter be referred back to the Department on Regulation for further consideration. This was done, and in November the council of the Department held another long session and went over the matter in detail. Once more the bill was submitted to the National Civic Federation, which is now considering whether it shall put out the bill against the protest of several utility interests.

A valuable compilation on *Laws on Trusts and Monopolies, Domestic and Foreign*, by J. J. Speight, clerk of the Committee on the Judiciary of the House of Representatives, and Nathan B. Williams, for the use of the Committee on the Judiciary, has been prepared (Washington, Dec. 1, 1913, pp. 438). This contains the laws of the United States, Great Britain, Cape of Good Hope, Australia, New Zealand, and Japan.

Dealing with the railway question are the following pamphlets: *The Railway Situation and Its Causes, an Address Delivered before the Transportation Club of Indianapolis*, September 29, 1913, by Blewett Lee (pp. 9); *Connecticut and the New Haven Road, an Address to the Chamber of Commerce of New Haven*, by Howard Elliott, November 9, 1913, (pp. 19); an *Address to the Lotus Club of New York*, by Howard Elliott, December 13, 1913 (pp. 19). *Addresses at the Annual Dinner of the Railway Business Association*, December 13, 1913, by H. Edward J. Cox and E. B. Leigh, have also been printed in pamphlet form (Frank W. Noxon, secretary, Railway Business Association, 30 Church Street, New York).

The address on *Franchise Values*, by W. M. Wherry, Jr., before the Annual Convention of the American Electric Railway Association (Oct. 14, 1913), has been printed in pamphlet form by the American Electric Railway Association (pp. 12).

Labor

RECOMMENDATIONS FOR UNEMPLOYMENT STATISTICS. In view of the inadequacy of unemployment statistics as they have in the past been collected, there is special interest in recommendations made by an expert committee representing the international associations for statistics and for unemployment. The committee agree upon the importance of adequately measuring a social phenomenon that is exceptionally liable to prejudiced estimate. They recommend a more frequent, general, and uniform gathering of statistics. With special reports before them, printed in *La Statistique du Chômage (Travaux des Commissions Spéciales nommées par l'Institut International de Statistique et l'Association Internationale pour la Lutte contre le Chômage présentés par G. Von Mayr et Louis Varlez, Gand, Belgium, Société Coopérative "Volksdrukkerij," 1913, pp. 186)*, they conclude that an occupational or industrial census, despite the faults incidental to it, is a necessary prerequisite to an estimate of the importance of unemployment. One chief source of imperfection, hitherto, has been that workmen hesitate to admit to the census taker that they belong to the unemployed. The question should be, "Did you work on (date)?" "For whom did you work?" When the first question is answered negatively, the cause and circumstances of unemployment must be asked for. The usual census information (age, sex, etc.) must be secured for all the unemployed. If possible, local and regional inquiries should supplement the general census.

The committee agree that the best device for measuring the fluctuations of unemployment and the percentage of persons unemployed is the collection of trade union unemployment statistics by the government. In the United States only two or three states perform this function. These trade union figures are held to be more valuable than those for the number of days on which out-of-work benefit has been payable. All countries should use the same forms of question, and their inquiries should be detailed enough to permit grouping the unemployed according to occupation and locality. Only by periodic inquiries can a measure be found for casual labor, or resort to short-time arrangements. There is much in the report of the committee, partly printed in duplicate in English and German, which should interest officials planning to measure unemployment.

R. W. FOERSTER.

EMPLOYMENT IN IRON AND STEEL INDUSTRY. By a resolution of the United States Senate passed June 23, 1910, the Bureau of Labor

was "directed to investigate and report to the Senate as early as possible as to the conditions of employment prevailing in the iron and steel industry of the United States, with the details concerning the wages paid, the hours of labor per day and the number of days' labor per week, and the number employed."

This report has been published as follows: *Report on Conditions of Employment in the Iron and Steel Industry in the Iron and Steel Industry in the United States*. Vol. I. *Wages and Hours of Labor* (pp. xiii, 580); Vol. II. *Wages and Hours of Labor. General Tables* (pp. v, 1058); Vol. III. *Working Conditions and the Relations of Employers and Employees* (pp. 594); Vol. IV. *Accidents and Accident Prevention* (pp. 350). Prepared under the direction of CHARLES P. NEILL, Commissioner of Labor. (Washington, Sen. Doc. No. 110, 62d Cong., 1 Sess. 1913.)

Volumes I and II contain the report on wages and hours of labor which was presented in July, 1911. The investigation was comprehensive both territorially and as to the varied branches of the industry, and the data presented cover approximately 82 per cent of the employees. The wage statistics are particularly striking in revealing that almost exactly half of the employees are unskilled laborers receiving less than 18 cents an hour. Probably the greatest interest has been aroused, however, by the evidence relating to the prevalence of the twelve-hour day and the seven-day week. The form of presentation has been particularly grateful to the large proportion of the public who are not trained statisticians. Over 1,000 pages of statistical matter is segregated in the second volume, leaving the first volume manageable and attractive. Another valuable feature of this first report is the general description of the equipment and method of operation in each department of the modern steel mill, supplemented by a brief but very instructive statement of the duties and nature of work of each class of laborers in each operation.

Volumes III and IV have been issued during the past summer. The latter deals with accidents and their prevention. After the presentation of the accident record of the industry in general the five-year record of a plant with a well-developed safety system is shown by way of contrast and suggestion. Other chapters discuss the organization of a safety department, direct safeguarding methods, accident relief and compensation systems. Seventy photographs of safety appliances are shown.

Volume III is the most valuable part of the report. A description of the modern works and of the workmen employed in it prepares the

reader for the discussion of the relations of workmen with employers. Wages and hours of labor are the general subjects with special discussion of the seven-day week, the twelve-hour day, overtime, irregularity of employment, time and methods of wage payment, trend of wages and relation of wages to costs and profit. Changes in conditions since the first section of the report was prepared are clearly indicated. The introductory chapter is a very helpful summary of the volume.

This report as a whole is noteworthy among government publications for three things: first, the humanitarian view point; second, the willingness to make definite recommendations; third, the presentation of material in a manner indicating a desire to reach and influence the general public. Especially noticeable is the strong argument for the introduction of the eight-hour day.

G. P. WYCKOFF.

Grinnell College

The Bureau of Mines has made an exhaustive study of *Coal-Mine Accidents in the United States and Foreign Countries* (Washington, Bulletin No. 69, pp. 102). This investigation, under charge of Frederick W. Horton, was begun in 1911. As far as possible the statistics are analyzed for the period 1896-1912, during which an increasing amount of coal was produced per man, and the increase in individual production was accompanied by greater risk. The report is supplied with numerous diagrams and well-digested tables, and a brief bibliography.

Of interest also in connection with the subject of mining accidents is *Mine-Accident Prevention at Lake Superior Iron Mines*, by Dwight E. Woodbridge (Washington, Bureau of Mines, Technical Paper No. 30, 1913, pp. 38).

In the same series is to be noted *Metal-Mine Accidents in the United States During 1912*, by Albert H. Fay (Washington, Bureau of Mines, Technical Paper No. 61, pp. 76).

The United States Department of Labor has issued *Wages and Hours of Labor in the Cigar and Clothing Industries, 1911 and 1912* (Washington, Sept. 2, 1913, Bulletin No. 135, pp. 80); and *Wages and Hours of Labor in the Boot and Shoe, and Hosiery and Knit Goods Industries, 1890-1912* (Bulletin 134, pp. 112).

In the Industrial Accidents and Hygiene Series, the Department of Labor has published *Dangers to Workers from Dusts and Fumes, and Methods of Protection* (Aug. 12, 1913, Bulletin No. 127, pp. 22; plates

62), prepared by William C. Hanson of the Massachusetts State Board of Health.

Another of this series is *Hygiene of the Painter's Trade*, by Dr. Alice Hamilton (May 13, 1913, Bulletin 120, pp. 68).

The State Board of Health of Ohio is making a survey of occupational diseases, which will continue throughout the year. A public campaign is being conducted by means of a travelling Health Exhibit, stereopticon lectures, and appropriate articles in a monthly bulletin beginning with June, 1913.

The *Sixth Annual Report of the State Inspectors of Health in Massachusetts, 1912* (Boston, State Board of Health, 1913, pp. 73), contains 20 pages in regard to the sanitation of factories and workshops.

The Bureau of Statistics of Massachusetts has published its *Fifth Annual Report on Labor Organizations* for the year 1912 (Boston, October 12, 1913, Bulletin No. 96, pp. 127); and *Thirteenth Annual Report on Strikes and Lockouts* for 1912 (Sept. 22, 1913, pp. 104).

The new State Board of Labor and Industries of Massachusetts has published three bulletins: No. 1, *Laws Relating to the Employment of Women and Children* (pp. 63); No. 2, *Laws Relating to School Attendance and the Employment of Minors* (pp. 49); No. 3, *Laws Relating to Labor Enforced by the State Board of Labor and Industries* (1913, pp. 104). These bulletins simply represent summaries of legislation.

In the *Third Annual Report of the Joint Board of Sanitary Control in the Cloak, Suit and Skirt, and Dress and Waist Industries of Greater New York* (31 Union Square West, New York, Dec., 1913, pp. 78), an account is given of the progress in sanitary conditions in the industries named. This progress is illustrated by effective diagrams. There is also given a history of the board and its work. In addition to its annual report, this board issues an occasional bulletin in regard to conditions of the workings of the Protocol of Peace, signed in September, 1910. A *Special Report on Sanitary Conditions in the Shops of the Dress and Waist Industries* has also been published.

The *Second Report of the Factory Investigating Commission, 1913, of New York*, has been issued in two volumes (Albany, 1913, pp. 1340). The first volume contains the report. Volume II has appendices relating to night work of women, industrial conditions in the

canning industry, and special investigation of chemical, tobacco, and printing industries.

The *Labor Laws of New York State* have been reprinted by the New York State Department of Labor (Albany, 1913, pp. 252).

The *Twenty-First Annual Report of the Bureau of Statistics and Information of Maryland* (Baltimore, 300 Equitable Bldg., 1913, pp. 222) devotes a substantial part of the document to child labor, making a comparison of conditions under the old and the new laws (pp. 14-47).

In December, 1913, the Ohio Coal Mining Commission made its report to the governor of Ohio (Columbus, Ohio, 1913, pp. 70). This commission was appointed to investigate and report an equitable method of weighing coal at the mines and also protect the coal measures of the state. The commission took a large view of its instructions, and reports at considerable length in regard to the conservation of coal resources. A description is given of the methods of mining, from which it appears that there is enormous waste of coal. It is recommended that the whole system of operating mines be placed under the direct supervision of the Industrial Commission of Ohio, which should be given power gradually to introduce changes in the present system of mining, so as to secure a greater conservation of the coal resources. Part 3 of the report is entitled "Screened Coal vs. Mine-Run System of Payment." A history of the controversy is given, and the arguments of the miners and operators. It is recommended that the mine-run system be substituted for the screened-coal method. Professor M. B. Hammond, of the Ohio State University, was secretary of this commission.

The *New York Workmen's Compensation Law* has been reprinted by the New York State Department of Labor (Albany, 1913). The Insurance Department of New York has also prepared a digest, together with a summary of the law authorizing the formation of mutual compensation and insurance companies (pp. 24). The New York law applies only to so-called hazardous employments, which are enumerated. Settlements are made through a commission. Employers may insure in the state fund or in any authorized stock or mutual company, or furnish satisfactory proof of financial ability to pay.

The new *Connecticut Workmen's Compensation Law* has been reprinted in Bulletin No. 1, issued by the board of commissioners (pp. 48).

The experience of liability companies with the new workmen's

compensation law is touched upon in the *Report on Examination of the Fidelity and Casualty Company of New York*, issued by the insurance department of New York (Albany, 1913, pp. 27).

From Canada there has appeared the final report on *Laws Relating to the Liability of Employers*, by Hon. Sir William Ralph Meredith (Toronto, 1913, pp. xx, 733). The report covers some 20 pages. The remainder of the volume is made up of minutes of evidence, briefs and memoranda submitted by various associations and companies.

A departmental committee on compensation for industrial diseases of Great Britain has published *Minutes of Evidence* (London, Wyman, 1913, pp. 133, xxxvii, 1s. 5d.). This committee was appointed to report whether certain diseases could properly be added to those enumerated in the workmen's compensation act of 1906. Particular diseases considered are cowpox; Dupuytren's contraction; chronic spasm of the eyelids, apart from nystagmus; writer's cramp. The report on Dupuytren's contraction has especial reference to its occurrence among minders of lace machines.

Relating to the strike in the copper region of Michigan is a pamphlet entitled *Strike Investigation by the Committee of the Copper Company Commercial Club of Michigan, 1913*, made to Governor Ferris (F. K. Guck, secretary, Calumet, Mich., pp. 85).

The Bureau of Labor Statistics of Missouri has published in pamphlet form *Laws of Missouri: Labor, Industrial and Statistical* (Jefferson City, 1913, pp. 99). This includes a publication of the occupational diseases and nine-hour law.

The Bureau of Labor Statistics of California has published a special report on *Labor Conditions in the Canning Industry* (John P. McLaughlin, commissioner, 948 Market St., San Francisco, 1913, pp. 34). This report deals only with establishments which are specifically exempt from the provisions of the eight-hour law for women, in order to assist the legislature in determining whether such exemptions should continue. Charts show the seasonal character of the canning industry, and the duration of the canning season by varieties of fruit. In specific cases the employers reported days of 18, 15 and 13½ hours, and weeks running up to 96 hours.

The need of improved factory inspection is dwelt upon in a bulletin published by the Travelers' Insurance Company of Hartford (Dec., 1913), in an article entitled *Industrial Accidents and the Travelers' Inspection Service*.

On the subject of workmen's compensation is to be noted *Digest of Workmen's Compensation and Insurance Laws in the United States* (Oct., 1913), issued by the Workmen's Compensation Publicity Bureau (80 Maiden Lane, New York City). This digest is presented in convenient tabular form, comparing, under topics, the statutes in the several states. The bureau has also printed a text with analytical introduction of workmen's compensation laws in nineteen states, which are supplied in sets for \$2.

The December, 1913, issue of the "American Labor Legislation Review" (vol. 3, no. 4) is devoted to *Administration of Labor Laws*. This contains chapters on Progressive Tendencies in Labor Law Administration in America, Scientific Standards, Diversity of Enforcement, Duties and Organization of Departments, and Directory of State Bodies Administering Labor Laws. Under the latter heading separate classifications are given for bureaus of labor and factory statistics, workmen's compensation commissions, and minimum wage commissions.

The H. W. Wilson Company has recently published a pamphlet in the Abridged Debaters' Handbook Series entitled *Selected Articles on Minimum Wage*, compiled by Mary K. Reely (1913, pp. 48). This includes briefs of arguments in the affirmative and negative, a 4-page bibliography, and 30 pages of reprints of articles.

Further information in regard to English experience may be found in a pamphlet *A Consideration of the Minimum Wage*, published by the Department of Social Economics of the London Municipal Society (2 Bridge St., Westminster, S. W., Jan. 1914, pp. 12).

The British Board of Trade has published *Report on Strikes and Lockouts, and Conciliation and Arbitration Boards in the United Kingdom in 1912*, with comparative statistics (1913, pp. lvi, 160). The principal strike in 1912 was that in the coal-mining industry.

The Department of Labour of Canada has published an exhaustive *Report on Strikes and Lockouts in Canada from 1901 to 1912* (Ottawa, 1913, pp. 279). It is estimated that the annual loss to the country on account of strikes is about \$1,500,000, and that about 3 per cent of the wage-earners of the country are annually involved. Some comparison is made with other countries. The statistical tables are illustrated with charts.

Money, Prices, Credit, and Banking

THE "EQUATION OF EXCHANGE" FOR 1913, AND FORECAST. Pending complete data for the equation of exchange for 1913, to be used for an

article in the June number of this REVIEW, the following preliminary figures are presented, based on such data as are at present available.¹

The two sides of the equation of exchange thus calculated agree within about 9 per cent, which discrepancy is the largest thus far found; this is due doubtless to the paucity of the data—particularly for the volume of trade. The discrepancy has, as usual, been eliminated by arbitrary adjustments of the original estimates for the six factors. The largest adjustment was, of course, in the figure for the volume of trade which was reduced by 4 per cent.

The results, corrected and expressed in billions of dollars, are:

$$\overbrace{\text{Circ. of money (40)} + \text{Circ. of checks (410)}} = \overbrace{\text{Value goods bought (450)}}$$

$$\begin{array}{ccc} \text{Money} \times \text{its velocity} & + & \text{Deposits} \times \text{their veloc.} \\ 1.8 \times 22 & + & 8.2 \times 50 \\ \hline & & \text{Trade} \times \text{Scale prices} \\ & & 435 \times 103\frac{1}{2} \text{ per cent} \end{array}$$

Comparing these figures with those calculated for 1912, we find remarkably little change. The most striking change is the reduction in the activity of the check circulation. In 1913 deposits subject to check turned over 50 times as against 53 in 1912. The total check circulation in 1913 was \$410,000,000,000² as against \$436,000,000,000 in 1912. The volume of trade in 1913 is found to be \$435,000,000,000

¹ The figures for money in circulation, deposits subject to check, and their velocities, are calculated in the same way as in previous years. The index number or price level was calculated from Bradstreet's index number for commodities and the index number of prices of stocks as given in Babson's desk sheet. The figure for the volume of trade is based on railroad gross earnings and shares traded in on the New York Stock Exchange, the former for ten months, the latter for eleven months. The index number for prices is based on Bradstreet's index number for commodity prices and the index number of 32 active stocks as given in Babson's desk sheet. The stock figures (both the index number figure and the volume of trade figures) are "weighted" one tenth as heavily as the other data combined with them.

² It is interesting to note that the American Bankers' Association through its committee on clearing houses is endeavoring to gather statistics, from the individual banks, of the checks charged by them weekly. This will afford a much better barometer for gauging the check business and activity than that here used, which is based on the clearings in and out of New York City. The preliminary results of their calculation for 1913, as reported in the papers, indicate a volume and activity of check circulation only slightly different (ten or fifteen per cent greater) from those here calculated. This is interesting in view of the meagerness of the data on which both estimates are based. While I believe my estimates are nearly correct *relatively*, *i.e.*, so far as year to year comparisons are concerned, it would not be surprising if they were found to contain a considerable *absolute* error. It is to be hoped that with the new banking system we shall get more complete statistics of check circulation; and also that, as stated in my article last June, Congress will enable the Department of Commerce to resume and improve its statistics of internal

units³ as against 450,000,000,000 units in 1912. Prices fell from 105.3 per cent to 103.5 per cent of the level of 1909, the assumed base year. The quantity of money in circulation (*i.e.*, outside of the United States Treasury and the banks) and the deposits subject to check prove to be very slightly greater than in 1912.

These figures confirm the prevailing impression that the year 1912 was a year of contraction rather than expansion. The shrinkage in activity of bank accounts is characteristic of a period of liquidation following a crisis or a tight money market.

It would not be exaggerating to say that from the middle of 1913 to the present we have been passing through a mild crisis with liquidation still going on. The liquidation may be expected to be sufficiently complete soon to justify beginning a new period of expansion. It seems reasonable to expect that the year 1914 will then show a resumption in the growth of most of the factors in the equation of exchange.

The tariff act, it is true, may operate to produce a so-called "unfavorable" balance of trade and to cause an export of gold, which would tend to lower the general level of prices in the United States. The currency act on the other hand seems likely to stimulate bank deposits and so tend to raise prices. In view of these and other considerations, it does not seem likely that the general scale of prices in 1914 will vary materially from the level of 1913.

IRVING FISHER.

The Sources of Rural Credit and the Extent of Rural Indebtedness, by George K. Holmes (Reprinted from the *Bulletin of Economic and Social Intelligence*, vols. 28 and 29, Rome, International Institute of Agriculture, 1913, pp. 46; published also in French) is a useful summary of much of the very incomplete data at present available on the subject of agricultural credit facilities and needs in the United States.

Part I is a compilation, largely statistical, of the chief facts concerning the character and extent of farm mortgage indebtedness in the United States before 1912. Totals are summarized in tabular form for different geographical sections. On the basis of very incomplete data the author estimates for 1910 the probable amount of the agricultural debt of the farmers of the United States at \$5,000,000,000, exclusive of the comparatively small debt of agricultural laborers. commerce. We shall then be able to reach a closer approximation to the truth as to the statistics of the equation of exchange.

³ Each "unit" of trade is any quantum of goods worth one dollar reckoned at the prices of 1909, the assumed base year.

This figure does not include "credit that is given by the seller to the purchaser of real estate, which is usually secured by the return of a mortgage," and which Mr. Holmes claims "makes no demand on the credit market and consists of nothing more than the exchange of legal documents—a deed for a mortgage and usually some unborrowed cash" (p. 3). Many of the important constituents of the estimate are necessarily little more than intelligent guesses, and the margin of probable error is large.

Part II consists chiefly of a summary and discussion of the results of the investigation concerning agricultural credit made by the Secretary of Agriculture in 1912. A schedule of questions was sent "to 9,000 persons in all of the rural counties of the United States. There were about 3,000 country bankers, about the same number of prominent farmers, and also about the same number of country merchants and men of other occupations taken from the list in use by the Bureau of Statistics to collect monthly reports of the prices of farm commodities" (p. 19).

In reply to a question as to the ability of farmers to give good security or endorsed notes for loans, it appears that in the opinion of the correspondents an average of 77 per cent of the farm owners and 46 per cent of the farm tenants are able to give such security. With reference to the question concerning the deficiency of credit for short-time loans, 48 per cent of the correspondents report no deficiency of credit for owners and 47 per cent report no deficiency for tenants. Where a deficiency of credit is reported it is estimated on the average that 36 per cent of the owners and 37 per cent of the tenants were unable to get credit. For long-time loans the resulting percentages were very similar. Among those able to give good security or endorsed note, the average estimate of those who replied was that 74 per cent of the owners and 73 per cent of the tenants could profitably and conservatively use further credit, and that of those who could so use it 32 per cent of the owners and 33 per cent of the tenants would so use it if it were available.

Other topics covered by the investigation were: the extent to which liens are placed upon cotton and other crops; the use of warehouse receipts as security for loans; the extent to which credit is obtained from different sources classified as local banks, neighbors, individual lenders in near-by cities, loan agents for outside capital, local merchants, and "unspecified sources"; the cost of borrowing covering the items of interest, commissions, abstracts or search of titles, and legal papers. On all of these subjects widely different results are reported from different sections. The author does not tell us to what

extent the testimony of different people in the same neighborhood is conflicting on the different topics.

E. W. KEMMERER.

The first part of the report of the two commissions sent abroad last year to make an investigation of *Agricultural Coöperation and Rural Credit in Europe* has been promptly issued (Sen. Doc. No. 214, 63 Cong., 1 Sess., 1913, pp. 916). This volume contains the evidence gathered at conferences and by "Juries of Inquiry." It is announced that part 2 will be published later and that a full bibliography is being prepared which will be available for the use of students. The material in the present report is arranged by countries and has been intelligently edited so as to serve readers interested in the topics covered.

Further pamphlet literature on the subject of agricultural credit to be noted are *The German Farmer and Coöperation*, a report of F. J. H. von Engelken, the Florida member of the American Commission (Sen. Doc. No. 201, 63 Cong., 1 Sess., 1913, pp. 18); *Some Methods of Financing the Farmer*, by Gordon Jones, also a member of the commission (Sen. Doc. No. 212, 63 Cong., 1 Sess., pp. 15); *Third Annual Report of the Jewish Farmers' Coöperative Credit Unions* (New York: Jewish Agricultural and Industrial Aid Society, 174 Second Ave., pp. 4); *Die Landschaft*, by David Lubin, published by the International Institute of Agriculture (pp. 24); and *Coöperative Rural Credit in Canada*, a letter by Mr. Lubin on the recommendations of the Saskatchewan Commission (International Institute of Agriculture, Nov. 17, 1913, pp. 8).

Beginning with December 1, 1913, the daily statement of the federal Treasury has contained a "Paper Currency Statement," in which the outstanding amounts of all kinds of paper money in circulation are stated.

A subcommittee, Hon. Robert J. Bulkley, chairman, of the House Committee on Banking and Currency is taking testimony on the subject of rural credits, which is being published in a series of hearings.

The Department of Agricultural Economics of the University of Wisconsin is making a study of farm credit in Wisconsin. The plan is to investigate carefully the facts in at least two counties; one in an old settled district; the other in a newly settled district. The inquiry is being made by personal canvass of places of business where the farmer receives credit, a statistical study of all recorded evidences of credit, and, to a limited extent, a canvass of the farmers themselves. The work is in charge of Professor B. H. Hibbard.

The commission appointed by the parliament of the province of Saskatchewan to investigate the problem of agricultural credit has recently made an extensive report, which is published in a large volume. The Saskatchewan commission was associated with the general commission from the United States and Canada, which has recently been investigating the problem of agricultural credit in Europe. The report of the commission is carefully prepared, and will probably be of value to students of the question of agricultural credits in the United States. It contains a careful summary of European methods of coöperative credit. In addition to this there are specific suggestions for a system of local coöperative mortgage societies under the general supervision of provincial authorities, and with provincial guarantees of local credit. As a result of this report the legislative assembly has passed a bill providing for coöperative mortgage credit. (*Report of the Agricultural Credit Commission of the Province of Saskatchewan 1913*, Regina, J. W. Reid, Government Printer, 1913, pp. 224, iii.)

The *Proceedings of the 21st Annual Meeting of the United States League of Local Building and Loan Associations*, held in Milwaukee, August 7-8, 1913 (H. F. Cellarius, secretary, Cincinnati, Ohio, 1913, pp. 279), contains several papers of general economic interest. Among these are to be noted "Farm Loans and the Land Bank," by K. V. Haymaker; "Central Organization, called Land Banks," by E. F. Howell; "A Typical English Building Society—Its History, Achievements and Methods," by Enoch Hill of Halifax, England; and "What Progress the Modern Land Registration System has made in the United States," by M. H. Stutzbach.

There has also been received a copy of *Proceedings of the Michigan Building and Loan Association League*, Twenty-Sixth Annual Meeting, Lansing, Michigan, September, 1913 (Irving B. Rich, secretary, Jackson, Mich., pp. 97).

The full report of the proceedings of the international congress on *Bills of Exchange*, held at the Hague in 1912, has been published as a senate document (No. 162, 63 Cong., 1 Sess., 1913, pp. 465).

Among the addresses delivered in regard to recent currency legislation is *A Plea for Intellectual Freedom in Currency Legislation*, by F. A. Vanderlip. This address was delivered before the Economic Club, New York, November 10, 1913 (pp. 13).

The *Amendments to the General Banking Law* of Michigan which became effective August 15, 1913, have been printed in pamphlet form

(Lansing, State Banking Department, pp. 16). There has been issued a new printing of the *Kansas Banking Law, 1913*. This includes the bank depositors' guarantee law and a summary of Kansas corporation laws (Topeka, Charles M. Sawyer, bank commissioner, 1913, pp. 63). *The Laws of the State of Illinois Governing Corporations with Bank Powers and Trust Companies, Auditor's Edition, 1913* (James J. Brady, auditor of public accounts, Springfield, Ill., pp. 14) has also been issued.

Recent reports of state bankers' conventions have been received:

Proceedings of the Twenty-Second Annual Convention of the Illinois Bankers' Convention, 1912 (Richard L. Compton, secretary, 1030 The Rookery, Chicago, pp. 309), in which there is an address by J. N. Dolley, on "blue sky" legislation in Kansas;

Proceedings of Arizona Bankers' Convention, Ninth Annual Session, 1912 (M. Goldwater, secretary, Prescott, Arizona, pp. 138);

Proceedings of the Nineteenth Annual Convention of the Wisconsin Bankers' Convention, 1913 (Geo. D. Bartlett, Milwaukee, pp. 184);

Twenty-Sixth Annual Convention of the Michigan Bankers' Association, 1912 (H. M. Brown, secretary, Ford Bldg., Detroit, pp. 243);

Proceedings of the Tenth Annual Convention of the New Jersey Bankers' Association, 1913 (William J. Field, secretary, Jersey City, pp. 227);

Proceedings of the Twentieth Annual Convention of the Virginia Bankers' Association, 1913 (Walter Scott, secretary, Farmville, Va., pp. 404), in which there is a brief address by Senator Owen on the proposed currency legislation with informal discussion by members;

Proceedings of the Twentieth Annual Convention of the South Carolina Bankers' Association, 1913 (Lee G. G. Holleman, secretary, Anderson, S. C., pp. 187), in which is to be noted an address on "Rural Banks and Currency Reform," by C. H. Davis.

The Agricultural Commission of the American Bankers' Association has begun the publication of a monthly, entitled *The Banker and Farmer*, "reviewing the bankers' activities for a better agricultural and rural life." The first issue, December, 1913, contains brief articles on agricultural credit, by B. F. Harris, and a lesson from the Ohio Building Association, by K. V. Haymaker (First National Bank Building, Champaign, Ill.).

The British Board of Trade has published *Report of an Inquiry into Working-Class Rents and Retail Prices, together with the Rates of*

Wages in certain Occupations in Industrial Towns of the United Kingdom in 1912 (London, Wyman, 1913, pp. lxiii, 398). This represents the results of an inquiry into rents, retail prices, and rates of wages in 93 principal towns. As far as possible the results are made comparable with those obtained by a similar inquiry made in 1905. The comparisons of prices in 1905 and 1912 are supplemented by tables showing retail prices of food in London for (a) 9 articles, 1877-1903; (b) 23 articles, 1892-1912; retail prices of food in provincial towns, 1907-1912; retail prices of coal in London, 1892-1912; prices of clothing, 1905-1912 wholesale prices in the United Kingdom, 1871-1912. A most valuable contribution in this report is 75 pages in the appendix relating to the course of prices in foreign countries. This compilation will bring to the student a large amount of source material brought down to a recent date.

Public Finance

In addition to legal treatises on the new income tax law referred to in the department of reviews, various banking houses have issued pamphlets of explanations and instructions which serve a useful purpose for the student of finance. Among these are to be noted, *Brief Digest and Reprints of the Internal Revenue Regulations relating to Deduction of Income at the Source*, published by the Bankers' Trust Company of New York; also a pamphlet, *How to Comply with the Income Tax Law*, by Stewart H. Patterson (New York Trust Company's Magazine, 1 Liberty Street, pp. 25, 50 cents); *Income Tax Law, Analysis and History*, issued by N. W. Harris (Boston, 35 Federal Street, pp. 39); the *Federal Income Tax Law*, by the Old Colony Trust Company (Boston, 17 Court St., pp. 50), which has also issued other pamphlets, entitled *Coupons and the Income Tax Law* (pp. 41); *Salaries, Accounts, etc. and the Income Tax* (pp. 17); *Fiduciaries, Prices, etc. and the Income Tax* (pp. 38). Other publications are *Federal Income Tax, Digest, Law and Record of Income*, by Hodenpyl, Hardy & Co. (14 Wall St., N. Y., pp. 43); and *A Brief Analysis of the Federal Income Tax Law*, prepared by H. M. Teets, for the Fifth Avenue Bank of New York (pp. 63).

A pamphlet of 132 pages, with the title *The Income Tax Law of the United States of America, Analyzed and Clarified*, written and published by Albert H. Walker (Park Row Bldg., N. Y.), contains the text of the law, an analysis of the provisions as interpreted by the author, and a criticism of the interpretation contained in the pamphlet

entitled *The Federal Income Tax Law*, written by Luther F. Speer (the official in direct charge of the administration of the law), and published by the Corporation Trust Company of New York, in October last.

The Treasury Department has issued a reprint of *The Tariff Act of October 3, 1913, with Index* (Washington, pp. 152).

Senate Document 163 (63 Cong., 1 Sess., August 13, pp. 64) is devoted to information relating to the *Taxing of Government Property in the Leading Countries of the World*. The report is made up of a series of letters from diplomatic and consular officers of our government. Especially to be noted are translations of German laws, covering some 45 pages.

The *Annual Report of the Secretary of the Treasury for the Fiscal Year 1913* (Washington, pp. vi, 195) devotes two pages to the operations of the Treasury Department in making deposits for crop-moving in 1913, when commercial paper for the first time was accepted as security for deposits in national banks.

The *Proceedings of the Eighth Annual Convention of the National Association of Comptrollers and Accounting Officers*, held at Chattanooga, Tennessee, June 5-7, 1913 (George M. Rex, secretary, Providence, pp. xix, 79), contains an address by C. F. Gettemy, of Massachusetts, on "New Legislation for the Regulation of Municipal Indebtedness in the State of Massachusetts," and an address by W. A. Prendergast on "The Collection of Arrears of Taxes and Assessments—New York's New Law and How it Operates."

The Insurance Department of New York has published a 1914 edition, *Fees and Taxes Charged New York Insurance Companies by Insurance Departments of other States* (Albany, 1913, pp. 49).

In the note on "The National Tax Conference" in the December REVIEW the statement is made that in the new tax law of Ohio, which provides for central appointment and supervision of assessors, the appointments were not put under civil service regulation. In reference to this, Professor O. C. Lockhart writes as follows:

"It is true that the tax act did not itself make this provision but it is also true that the Friebolin bill, passed about the same time, put all state and county employees under civil service rules. The original appointment of district assessors was not indeed under the civil service law, which was not yet in force; but under the terms of the civil ser-

vice law they will be subject to a non-competitive examination and new appointments will be under the full regulations. Moreover, the appointment of subordinates of the district assessors and boards of complaint will be under civil service rules." ROY G. BLAKEY.

Tangible property in Minnesota is now arranged for taxation in four classes (*Laws 1913*, ch. 483, effective Jan. 1, 1914). Class I covers iron ore to be taxed at 50 per cent of its true and full value. In class II come household goods, furniture, wearing apparel of family, etc., which are to be taxed at 25 per cent of their value. Live-stock, poultry, agricultural products, merchandise, business fixtures, manufacturer's materials, tools, machinery, manufactured articles, and *unplotted real estate*, except mining land, are included in Class III and are taxable at one third of their value. All of the tangible property is covered in Class IV, taxable at 40 per cent of its value.

There has been received from the secretary of the North Dakota State Tax Associations a series of bulletins dealing with the subjects of the preparation of appropriation bills and public accounting.

The *Second Biennial Report of the Board of State Tax Commissioners of Oregon, 1913* (Salem, 1913, pp. 95) is largely made up of statistical tables.

During the last two years the Committee on Publicity of the Board of Estimate and Apportionment of New York City has issued in the month of October a series of *Budget News* bulletins which contain a large amount of detailed statistical data relating to departmental estimates, budget allowances and expenditures, covering a period of seven or eight years, in more accessible form than in the files of the "City Record." Copies of the bulletin are sent to taxpayers' associations and other civic organizations, inviting their assistance and coöperation in preparing a tentative budget. C. C. W.

Demography

The Department of Commerce has issued a pamphlet descriptive of its *Origin and Organization* (Washington, July 1, 1913, pp. 63). Some 8 pages are given to a history of the Bureau of the Census.

Two completed volumes of the Thirteenth Census of the United States have appeared: Vol. III, *Population, Reports by States, Nebraska—Wyoming* (Washington, Bureau of the Census, pp. 1225); and Vol. V, *Agriculture, General Report and Analysis* (Oct. 31, 1913, pp. 927).

A brief but incisive statement of the beneficial effect of the organization of a state board of health in Pennsylvania, in lowering the death-rate is to be found in *Mortality Statistics of Pennsylvania* (Sen. Doc. No. 1000, 62 Cong., 3 Sess., Dec. 27, 1912, pp. 14).

Mr. Max J. Kohler has reprinted from the "Jewish Comment" an address read before the Eastern Council of Reform Rabbis (October 20, 1913) on *The Immigration Problem and the Right of Asylum for the Persecuted* (pp. 36). The author is averse to the restrictive policy. In favor of restriction is Bulletin No. 64 of the Immigration Restriction League, entitled *The Crises in our Immigration Policy*, by Robert DeC. Ward (pp. 25). Mr. Kohler deals rather with the political aspects of the question, while Mr. Ward is more especially concerned with eugenic problems.

From the Bureau of the Census has appeared *Financial Statistics of Cities Having a Population of over 30,000, 1911* (Washington, 1913, pp. 401).

Insurance

THE SUPREME COURT AND INSURANCE. It has long been hoped by many interested in insurance that it could be freed from the regulation of the states and given over to regulation by the federal government. Since the development of regulation of various businesses by the states, insurance has greatly suffered because there has been little uniformity in the various state laws, and yet the business of no important company is confined to one state. Great expense has been incurred in conforming to the numerous requirements of the different states. Federal regulation has not been possible because the Supreme Court has held that insurance is not interstate commerce. Many insurance officials have believed that it is, and have hoped to see a case clearly presented to the court. Much hope has also been encouraged by the argument that the changed personnel of the court and the developed regulation of business by the federal government would secure a favorable decision by the Supreme Court.

However, the recent decision in the case of the *New York Life Insurance Company v. Deer Lodge County, Montana*, seems to dispose of the question. The points at issue were so clear, as to leave no doubt of the court's decision being that insurance is not interstate commerce. Montana enacted a law requiring every insurance corporation to pay an annual tax upon the excess of premiums received over losses and ordinary expenses incurred within the state. The

company alleged that the law was invalid in that it was a burden upon interstate commerce. It was shown that the company transacted all its business through agents who received their authority through the use of the mails from the home office in New York. The insurance company never had an office or place of business in Montana, all the officers residing in New York. It was also shown that moneys received were transmitted to New York. Loans were negotiated from New York, the proceeds of the loan being forwarded by mail in the form of checks, drawn on the company's account in New York. Likewise policy claims were also paid by checks drawn upon the company's assets in New York and transmitted through the mails to Montana. The detailed manner of doing the business, it was argued, was such as to constitute interstate commerce.

Argument was presented to show that this case differed from those in which the court had decided that insurance was not commerce.

The cases referred to, the court remarked, "constitute a formidable body of authority and strongly invoke the rule of *stare decisis*. To reverse the cases would require us to promulgate a new rule of constitutional inhibition upon the states." The court also considered the question of principle involved, and decided, with Justice Hughes and Vandeverter dissenting, that insurance was not in its nature interstate commerce.

The case of *Paul v. Virginia* referred to fire insurance, in which it was held that the contract was one of indemnity. It was also held that the right of a corporation to do business in a state other than that of its incorporation rested upon the will of the state which it sought to enter. This last point was the chief one contended in the *Hooper v. California* case, in that it was argued that the foreign corporation sought to do an interstate business. In this case it was marine insurance. In the *Cravens* case the question of mutual insurance arose in that it was argued that the parties might choose its applicatory law.

But in all the cases, just as in the present case, the court reverts to the original case of *Paul v. Virginia*, decided in 1808, and sustains the reasoning of the court. In vain it was argued "that modern life insurance has taken on essentially a national and international character and that when *Paul v. Virginia* was decided the business was to a great extent local." The court repeated, however:

Insurance is not a commerce, nor is the contract of insurance an instrumentality of commerce. The making of such a contract is a mere incident of commercial intercourse. The number of transactions do not give the business any character other than magnitude. If it did, the department store

which deals with every article would have one character while its neighbor, humble in the variety and extent of its stock, would have another. Nor does the use of the mails determine anything. The transfer of real estate may be negotiated through the mails.

The fact that policies are subject to loans, sale, and transfer does not make insurance commerce, because "this is a use of them after their creation, a use by the insured, not by the insurer."

Nothing remains for the insurance officials but to continue their efforts to secure greater uniformity in the state laws governing the business.

W. F. GEPHART.

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